

Climate volatility can affect “business as usual”

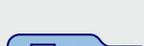


Failure of climate-change mitigation and adaptation was identified as the most impactful risk on the 10-year horizon in the 2016 Global Risks Report.¹

How extreme weather events are affecting the U.S.



Extreme floods



Heat waves



Heavy rain



Increased snowfall



Higher sea levels



Droughts



Wildfires²

\$700B

Projected annual costs of extreme weather events to the global economy by 2030.³

\$1.2T

Projected U.S. economic loss as a result of extreme weather events through 2050.⁴

\$290B

Estimated cost of Irma and Harvey, just two of 10 hurricanes in a 10-week stretch of 2017.^{5,6}

Extreme weather events are already affecting American businesses



Rising costs



Supply chain



Markets for products



Market volatility



Distribution and transportation



Business interruption



Increased financial risk



Regulatory changes

Four steps to help build resilience to extreme weather



1

Increase awareness among operations, facilities, supply chains, employees, customers and communities.

2

Assess vulnerabilities and how changes in the likelihood or magnitude of extreme weather events may affect your business.

3

Manage risks and pursue opportunities and integrate them into enterprise-wide risk management systems, working with local governments and stakeholders.

4

Assess and review the risks of physical impacts and update your ongoing risk management activities.⁷

Sources:

1 World Economic Forum. The Global Risks Report 2016. <https://www.zurichna.com/en/knowledge/articles/2016/01/global-risks-report-2016>

2 U.S. Global Change Research Program. National Climate Assessment, 2014: “Climate Change and the American People.” http://nca2014.globalchange.gov/system/files_force/downloads/low/NCA_3_Full_Report_0c_Climate_Change_and_American_People_LowRes.pdf?download=13

3 Baehr, Leslie. “22 Devastating Effects Of Climate Change.” Business Insider, 11 June 2014. <http://www.businessinsider.com/effects-of-climate-change-2014-6>

4 U.S. Department of Homeland Security. Written testimony of NPPD Office of Infrastructure Protection Assistant Secretary Caitlin Durkovich and PLCY Assistant Secretary David Heyman for a Senate Committee on Homeland Security and Governmental Affairs hearing titled “Extreme Weather Events: The Costs of Not Being Prepared.” 12 February 2014. <https://www.dhs.gov/news/2014/02/12/written-testimony-nppd-and-plcy-senate-committee-homeland-security-and-governmental>

5 AccuWeather. “AccuWeather predicts economic cost of Harvey, Irma to be \$290 billion.” 11 September 2017. <https://www.accuweather.com/en/weather-news/accuweather-predicts-economic-cost-of-harvey-irma-to-be-290-billion/70002686>

6 Astor, Maggie. “10 hurricanes in 10 weeks: With Ophelia, a 124-year-old record is matched.” New York Times, 11 October 2017. <https://www.nytimes.com/2017/10/11/climate/hurricane-ophelia.html>

7 Center for Climate and Energy Solutions. “Weathering the Storm: Building Business Resilience to Climate Change.” July 2013. <http://www.c2es.org/publications/weathering-storm-building-business-resilience-climate-change>

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